

GOETZ & HARTMAN 1 5379
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
ATTORNEYS AT LAW

JAMES L. GOETZ, P.A.
NORMAN A. HARTMAN, JR., P.A.

November 13, 1987

Ms. Noretta McGee, Secretary
Interstate Commerce Commission
12th & Constitution Avenues
Washington, DC 20423

RE: Recordation of Documents

Dear Ms. McGee:

I have enclosed an original and one copy of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

1. The document is a Security Agreement (Chattel Mortgage) dated November 13, 1987.
2. The names and addresses of the parties to the document are as follows:

Secured Party: NCNB National Bank of Florida
12751 Cleveland Avenue, SE
Fort Myers, FL 33907

Debtor: Seminole Gulf Railway, L.P.
420 Bedford Street
Lexington, MA 02173

3. A description of the equipment covered by the document follows:

Seven (7) 1750 H. P. EMD Model GP9 diesel-electric locomotives bearing road numbers B&O 213, 331, 352, 593, 614, 617, and C&O 6001.

4. A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned.

7-321AUGO NOV 17 1987 2 40 PM

INTERSTATE COMMERCE COMMISSION

NCNB BANK BUILDING
2133 WINKLER AVENUE, SUITE 300

P.O. BOX 6844

FT. MYERS, FLA 33911-6844

(813) 936-2841

No.

Date NOV 17 1987

Fee \$ 10.00

ICC Washington, D.C.

NOV 17 2 42 PM '87

Ms. Noretta McGee, Secretary
Interstate Commerce Commission
November 11, 1987
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5. A short summary of the document to appear in the index follows:

Security Agreement (Chattel Mortgage) between NCNB NATIONAL BANK OF FLORIDA, 12751 Cleveland Avenue, SE, Fort Myers, Florida 33907, and SEMINOLE GULF RAILWAY, L.P., 420 Bedford Street, Lexington, Massachusetts 02173, dated November 13, 1987, and covering seven (7) 1750 H. P. EMD Model GP9 diesel-electric locomotives B&O 213, 331, 352, 593, 614, 617, and C&O 6001.

Sincerely,



Norman A. Hartman, Jr.

NAHJr/ml

Enclosures

cc: William P. Quinn, Esquire
Mr. David C. Lavoie, Vice President,
NCNB National Bank of Florida

Interstate Commerce Commission
Washington, D.C. 20423

11/18/87

OFFICE OF THE SECRETARY

Norman A Hartman, Jr., PA.
Gortz & Hartman
NCNB Bank Building
2133 Winkler Avenue, Suite 300
Ft Myers, FLA. 6844

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/17/87 at 2:50pm, and assigned recordation number(s). 15379

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

NOV 17 1987 - 2 10 PM

SECURITY AGREEMENT
(CHATTEL MORTGAGE)

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made the 13th day of November, 1987, under the law of the State of Florida between SEMINOLE GULF RAILWAY, L.P., a Delaware Limited Partnership, herein called the Debtor, having a business address of 420 Bedford Street, Lexington, Massachusetts 02173, and NCNB NATIONAL BANK OF FLORIDA, herein called the Secured Party, having a business address of 12751 Cleveland Avenue, SE, Fort Myers, Florida 33907:

WITNESSETH:

To secure the payment of indebtedness in the principal amounts of ONE MILLION SEVEN HUNDRED FIFTY AND 00/100 DOLLARS (\$1,750,000.00), THREE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$350,000.00), AND TWO HUNDRED TWENTY FIVE THOUSAND AND 00/100 DOLLARS (\$225,000.00) (or 80% of the cost of equipment financed, whichever is less), with interest, payable as described in the notes of even date herewith (hereinafter called the "obligations"), Debtor hereby grants and conveys to the Secured Party a security interest in, and mortgages to the Secured Property:

A. The property described in the schedule attached (hereinafter called the collateral), which collateral the Debtor represents will be used for business purposes.

B. All proceeds thereof, if any.

C. All increases, substitutions, replacements, additions and accessions thereto.

DEBTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. To pay and perform all of the obligations secured by this Agreement according to their terms.

2. To defend the title to the collateral against all persons and against all claims and demands, whatsoever, which collateral, except of the security interest granted hereby, is lawfully owned by the Debtor and is now free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments except as may be set forth in the schedule.

3. On demand of the Secured Party to do the following: Furnish further assurance of title, execute any written agreement to do any other acts necessary to effectuate the purposes and provisions of this Agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Secured Party in the collateral and pay all costs of filing in connection therewith.

4. To retain possession of the collateral during the existence of this Agreement and not to loan or mortgage same without the written consent of the Secured Party.

5. To keep the collateral free and clear of all liens, charges, encumbrances, taxes and assessments.

6. To pay, when due, all taxes, assessments and license fees relating to the collateral.

7. To keep the collateral, at Debtor's own cost and expense, in good repair and condition and available for inspection by the Secured Party at all reasonable times.

8. As may be commercially reasonable to keep the collateral fully insured against loss by fire, theft and other casualties and to name the Secured Party as loss payee and deliver to the Secured Party current policies of insurance, Debtor shall give immediate written notice to the Secured Party and to insurers of loss or damage to the collateral and shall promptly file proofs of loss with insurers.

THE PARTIES FURTHER AGREE:

9. Waiver of or acquiescence in any default by the Debtor, or failure of the Secured Party to insist upon strict performance by the Debtor of any warranties or agreements in this Security Agreement, shall not constitute a waiver of any subsequent or other default or failure.

10. Notices to either party shall be in writing and shall be delivered personally or by mail addressed to the party at the address herein set forth or otherwise designated in writing.

11. The Uniform Commercial Code shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provisions of this Agreement.

12. The following shall constitute a default by Debtor:

A. Failure to pay the principal or any installment of principal or interest on the indebtedness or any notes when due.

B. Failure by Debtor constituting an Event of Default as defined in the Loan Agreement of even date.

13. Upon any default of the Debtor and at the option of the Secured Party, the obligations secured by this Agreement shall immediately become due and payable in full without notice of demand and the Secured Party shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the collateral and disposition of the proceeds as are accorded by the applicable sections of the Uniform Commercial Code in respect to "Default".

14. Upon any default and upon demand, Debtor shall assemble the collateral and make it available to the Secured Party at the place and at the time designated in the demand.

15. Upon any default, the Secured Party's reasonable attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the collateral shall be chargeable to the Debtor.

16. The Debtor shall remain liable for any deficiency resulting from a sale of the collateral and shall pay any such deficiency forthwith on demand.

17. If the Debtor shall default in the performance of any of the provisions of this Agreement on the Debtor's part to be performed, Secured Party may perform same for the Debtor's account and any monies expended in so doing shall be chargeable with interest to the Debtor and added to the indebtedness secured hereby.

18. The Secured Party is hereby authorized to file Financing Statements.

19. The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives, successors and assigns.

20. The gender and number used in this Agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

SECURITY AGREEMENT
NCNB/Seminole Gulf Railway
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21. This Agreement may not be changed orally.

22. This Agreement has been entered into in the State of Florida, and the proper venue as to any dispute which may arise under this Agreement shall be Lee County, Florida.

IN WITNESS WHEREOF, the parties have respectively signed and sealed these presents the day and year first above written.

Witness
Witness
Witness
Witness

SEMINOLE GULF RAILWAY, L.P., a
Delaware Limited Partnership
By its General Partner,
SEMINOLE GULF RAILWAY, INC.

By: Gordon H. Fay
Title: President

NCNB NATIONAL BANK OF FLORIDA

By: David C. Lavoie
Title: VICE PRESIDENT

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF LEE

I HEREBY CERTIFY that on this 13th day of November, 1987, before me personally appeared Gordon H. Fay to me personally known, who being by me duly sworn, says that he is the President of SEMINOLE GULF RAILWAY, INC., General Partner of SEMINOLE GULF RAILWAY, L.P., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

WITNESS my hand and official seal at the State and County last aforesaid on this 13th day of November, 1987.

(Notary Seal)

Therese W. Phillips
Notary Public
My Commission Expires MAR. 31, 1991

STATE OF FLORIDA
COUNTY OF LEE

I HEREBY CERTIFY that on this 13th day of November, 1987, before me personally appeared DAVID C. LAVOIE to me personally known, who being by me duly sworn, says that he is the Vice President of NCNB NATIONAL BANK OF FLORIDA, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

WITNESS my hand and official seal at the State and County last aforesaid on this 13th day of November, 1987.

(Notary Seal)

Therese W. Phillips
Notary Public
My Commission Expires MAR. 31, 1991

STATE OF FLORIDA
COUNTY OF DUVAL

1 5379
RECORDATION NO. _____ FORM 1425

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INTERSTATE COMMERCE COMMISSION

AFFIDAVIT

DAVID C. LAVOIE, being duly sworn, hereby deposes and says:

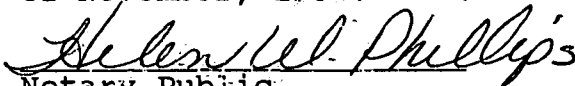
1. He is the Vice President of NCNB NATIONAL BANK OF FLORIDA.

2. He has compared the attached copy of the Security Agreement (Chattel Mortgage) between NCNB NATIONAL BANK OF FLORIDA and SEMINOLE GULF RAILWAY, L.P., dated November 13, 1987, with the original and has found the copy to be complete and identical in all respects to the original document.



David C. Lavoie, Vice President of
NCNB NATIONAL BANK FLORIDA

Sworn to and subscribed
before me this 13th day
of November, 1987.


Notary Public

(Notary Seal)

My Commission Expires:
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES MAR. 31, 1991.
BONDED THRU NOTARY PUBLIC UNDERWRITERS:

GA

EXHIBIT

All tracks, rails, ties, switches, crossings, bridges, buildings, station platforms, trestles, culverts, signals, crossing protection devices, communication lines, radio masts, towers, poles and all other fixtures or improvements that are affixed to the lines of railroad of Debtor extending from (a) Arcadia, at Milepost SVC 883.0, to Vanderbilt Beach, at Milepost AX 990.689, and (b) Oneco, at Milepost SW 875.00, to Venice, at Milepost SW 904.425, all being located in the State of Florida, all more particularly shown on Exhibit 1 to the Lease Agreement referenced below and in the valuation maps listed on said Exhibit 1, a copy being in the possession of NCNB National Bank of Florida, at Fort Myers, Florida; Assignment of Debtor's interest in the Lease Agreement dated November 13, 1987, between CSX Transportation, Inc., and The Atlantic Land and Improvement Company, as Lessor, and Debtor, as Lessee; accounts receivable, inventory, equipment, supplies; Seven (7) 1750 H.P. EMD Model GP9 diesel-electric locomotives bearing road numbers B&O 213, 331, 352, 593, 614, 617, and C&O 6001; Assignment of Partnership Interest in Debtor; personal guaranties of Gordon H. Fay and George E. Bartholomew; together with all dividends and distributions thereon or other rights in connection therewith.